

USDI Bureau of Land Management  
Uncompahgre Field Office  
Montrose, Colorado

## **DECISION RECORD**

### **Project Components on National Forest System Lands**

#### **North Fork Mancos Master Development Plan DOI-BLM-CO-N040-2017-0050-EA**

#### **UNIT AND LEASE NUMBERS**

Federal Units: Deadman Gulch Unit – COC74489X; Iron Point Unit – COC74545X; Sheep Park II Unit – COC77109X; Trail Gulch Unit – COC78145X.

Federal Leases: COC13483, COC13600, COC13601, COC13602, COC65106, COC65107, COC65108, COC65113, COC65120, COC65534, COC68788, COC68791, COC9066, COC70004.

#### **LOCATION**

The North Fork Mancos Master Development Plan (NFMMDP) project area is located in an area generally known as the North Fork Valley and includes portions of Delta and Gunnison Counties, Colorado. The project area consists of dissected uplands lying north of the North Fork of the Gunnison River and west of Muddy Creek. Public access into the area is from State Highway 133 and then County Road 265 (which becomes Forest Road 265). The project boundary encompasses 34,906 acres (54.5 square miles) in portions of Townships 10 South and 11 South, Range 90 West; Township 12 South, Range 89 West; and Township 12 South, Range 91 West, of the Sixth Principal Meridian.

The NFMMDP project area includes 25,790 acres of National Forest System (NFS) lands administered by the Grand Mesa, Uncompahgre, and Gunnison National Forests (GMUG), Paonia Ranger district; 468 acres of public lands administered by Bureau of Land Management (BLM), Uncompahgre Field Office (UFO) in Montrose, Colorado; and 8,648 acres of private lands. The private surface lands include 4,932 acres with Federal mineral estate (split-estate lands) and 3,666 acres with private mineral estate. Federal fluid minerals underlying NFS lands, BLM lands, and private lands in the project area are managed by the BLM Colorado River Valley Field Office (CRVFO) in Silt, Colorado, under a consolidated oil and gas program.

#### **PROJECT NAME**

North Fork Mancos Master Development Plan (NFMMDP).

#### **APPLICANT**

Gunnison Energy LLC (GELLC).

#### **INTRODUCTION**

The Proposed Action for the NFMMDP is described and analyzed in the Final EA prepared by the BLM and the GMUG pursuant to the National Environmental Policy Act (NEPA) (DOI-BLM-CO-N040-2017-0050-EA). The Proposed Action incorporates project design features proposed by GELLC and COAs developed by the BLM and Forest Service.

The proponent, GELLC, proposes to drill, complete, and operate up to 35 horizontal wells from one new well pad and one existing well pad on private lands, and two new well pads and one existing well pad (to be expanded) on NFS lands. The project would also include construction of access roads, gas gathering pipelines, water gathering and delivery pipelines, and use of existing support facilities.

Development is proposed to occur over a 6-year period. Well development would utilize one drilling rig and one completions rig in a given year. No development is proposed to occur from December 1 through April 30 to protect winter use of the area by big game. Long-term production following the 6-year development phase is anticipated to be approximately 30 years. Development would result in 45.97 acres of initial surface disturbance on Federal and private lands, reduced to 17.33 acres following prompt reclamation of temporarily disturbed areas, including interim reclamation of the well pads.

GELLC has planned the distribution of proposed well pads and proposed horizontal wells according to unit obligations for the four Federal units in the NFMMDP project area—the Deadman Gulch, Iron Point, Sheep Park II, and Trail Gulch units. All of the proposed wells, whether located on private lands or NFS lands, would access Federal minerals. GELLC is required to comply with BLM oil and gas regulations and policies for all Federal wells regardless of surface ownership at the pads, and to comply with Forest Service standards and policies for pads, access roads, pipelines, and associated facilities located on NFS lands.

## **BACKGROUND**

On August 15, 2019, I signed a Decision Record approving portions of NFMMDP involving use of private lands and BLM-administered public lands to access and develop Federal leases. Those aspects of the project are associated with proposed oil and gas development on the existing Iron Point Unit (IPU) 1291 #13-24 well pad (six proposed wells) and the proposed Deadman Gulch Unit (DGU) 1289 #20-23 well pad (eight proposed wells), both located on private lands, and an associated surface pipeline across private and BLM-administered lands to deliver fresh water for use in the project.

The Decision Record of August 15, 2019, deferred a decision on project components involving surface disturbance and/or use of NFS lands pending completion by the Forest Service of its decision process. The deferred project components are associated with proposed oil and gas development of the existing Trail Gulch Unit (TGU) 1090 #30 well pad (five wells; pad to be expanded) and the proposed Sheep Park Unit (SPU) Federal 1190 #20 and Federal 1190 #29 well pads (eight wells each).

On January 10, 2020, the GMUG Forest Supervisor signed a Decision Notice for surface use of NFS portions of the NFMMDP. In that GMUG Decision Notice, the Forest Supervisor specifically:

- Approved Surface Use Plans of Operation (SUPOs) that may be submitted as part of Applications for Permit to Drill (APDs) for the three pads on NFS lands listed above.
- Approved construction and/or use of six access road and/or gas gathering pipeline segments associated with development of the three pads.
- Approved Surface Use Authorizations (SUAs) for any produced water pipeline submitted as part of an APD.

The GMUG Decision Notice also included the following:

- Granted an exception to pond and stream setback widths specified in a lease stipulation for the Federal 1190 #20 well pad.
- Corrected a misstatement on page 13 of the Final EA by noting that no project activities would occur in any elk (production) calving area as mapped by CPW and that reference to a Timing Limitation (TL) from May 15 to June 15 was incorrectly included.

- Clarified that approval of any request by GELLC for an exception to the big game winter range TL from December 1 to May 30 would require coordination with CPW and a determination that big game animals are not present in the area of operations.

The GMUG Decision Notice confirmed that the GMUG has approved SUPOs for the well pads on NFS lands as described above, for purposes of BLM's review of APDs on those pads. Under an inter-agency agreement, Forest Service approval of SUPOs is a prerequisite for BLM approval of APDs on NFS lands. BLM's APD review process ensures that the proposed drilling, completion, and production facilities and activities comply with Federal oil and gas regulations, are within the scope of the proposal described and analyzed in the EA, and are consistent with lease terms and BLM policies.

The GMUG Decision Notice also stated that the decision allows the BLM to approve or deny APDs submitted for the well pads on NFS lands as described above. Under an inter-agency agreement, Forest Service approvals of SUPOs for APDs on NFS lands are a prerequisite for BLM approvals of those APDs. In addition to incorporating Forest Service approval of a SUPO, BLM's APD review process consists of ensuring that the proposed drilling, completion, and production facilities and activities comply with Federal oil and gas regulations, conform to the associated NEPA (the Final EA for the NFMMDP), and are consistent with lease terms and BLM policies.

## **DECISION**

It is my decision to approve portions of the Proposed Action requiring the use of NFS lands to drill, complete, and produce and maintain 21 Federal oil and gas wells, consistent with the Final EA and the decision of the GMUG Forest Supervisor dated January 10, 2020. This decision does not constitute approval of any APDs for those wells. A decision to approve, defer, or deny an APD for a location on NFS land would occur only upon completion of BLM's review of portions of the APD not included in the SUPO addressed in the Forest Supervisor's decision.

All well pads, Federal wells, and associated facilities and infrastructure proposed to be constructed, installed, used, operated, and maintained pursuant to this decision must conform to the stipulations attached to the Federal oil and gas leases; the surface-use and drilling COAs attached to any approved APDs; the COAs attached to any Forest Service Special Use Authorizations (SUAs) for pipelines and Road Use Permits (RUPs) for access roads; and other elements of the Proposed Action as presented and analyzed in the Final EA. Any substantive deviation from the lease stipulations, COAs, or Proposed Action described and analyzed in the Final EA must be approved by the BLM or Forest Service, as appropriate. If the BLM or Forest Service, as appropriate, determines that the requested deviation would result in potentially significant adverse impacts, additional NEPA analysis and documentation would be required.

## **RATIONALE FOR THE DECISION**

Analysis of the Proposed Action by the BLM and Forest Service indicates that GELLC will be able to exercise its valid Federal lease rights with an acceptable level of impacts to the human and natural environments. This decision will provide for orderly, economical, and environmentally sound exploration and development of Federal fluid mineral resources on existing oil and gas leases.

The BLM requires operators to comply with applicable state pollution control regulations. Air pollutant emissions resulting from construction and operations are not expected to alter ambient air pollutant concentrations to a degree that would affect compliance with the National Ambient Air Quality Standards (NAAQS) and Colorado Ambient Air Quality Standards (CAAQS). Project emissions would not cause conditions to exceed the NAAQS, CAAQS, or the applicable PSD Class I/Class II increments at any of the nearby Class I and sensitive Class II areas. In addition, impacts to air quality related values (AQRVs) (i.e., visibility, atmospheric deposition of nitrogen and sulfur, potential increases in acidification of acid-sensitive lakes) at the nearby Class I and sensitive Class II areas would be below applicable threshold

values. The air quality analysis addresses use (combustion) of methane and other hydrocarbons produced over the life of the project and their cumulative effects on climate change.

The project will conform to any requirements identified by the U.S. Army Corps of Engineers, pursuant to Section 404 of the Clean Water Act, for the protection of wetlands and other waters of the U.S. or mitigation of any authorized impacts to those resources.

As part of Section 7 consultation under the Endangered Species Act, the U.S. Fish and Wildlife Service (USFWS) concurred with the determinations of effects in the BLM/Forest Service Biological Assessment (BA) for the project, and with the determinations of effects in the BLM/Forest Service Appended BA. The BA and Appended BA described mandatory conservation (mitigation) measures for listed or proposed threatened or endangered species potentially present or affected by the project. These included the threatened yellow-billed cuckoo western distinct population segment, the threatened Green Lineage Colorado River cutthroat trout, and four species of endangered Colorado River fish (Colorado pikeminnow, humpback chub, bonytail chub, and razorback sucker). For the endangered Colorado River fish species, the BA and Appended BA described how the project would conform to conservation measures and remain within the cumulative depletions in flows addressed by the USFWS in its 2017 Programmatic Biological Opinion (PBO) for BLM-authorized oil and gas projects in the Colorado River Basin of northwestern Colorado.

No cultural resources eligible for the National Register of Historic Places (NRHP) will be affected by the Proposed Action, and only one non-eligible site (a seasonally occupied historical structure) was found during surveys within 0.5 miles of site components. A Class I report (on file at BLM UFO) indicates a probability of less than one National Register eligible site per section (1 square mile or 640 acres). For this reason, any inadvertent damage to undiscovered sites would be negligible. A standard Education/Discovery COA would be applied to protect any subsequently discovered resources.

A closed-loop drilling system and multi-well pad design will eliminate the need for reserve pits and minimize each well pad footprint. Conveying flowback water and produced water by buried pipeline will reduce truck traffic, resulting in lower levels of noise, disturbance of wildlife, fugitive dust, vehicle emissions, traffic impacts to other road users, and damage to road infrastructure.

BLM downhole (drilling) COAs will include protections for any nearby surface waters and any potable or other usable aquifers encountered during well development.

Seasonal timing limitations applied as lease stipulations, ROW stipulations, or COAs will reduce impacts to big game use of crucial winter habitats, impacts to water quality and physical habitat quality of fish-bearing streams, and impacts to nesting by raptors and other birds.

Stormwater management plans and permits approved by the Colorado Division of Water Resources will require installation, monitoring, and maintenance of site-specific adaptive BMPs to reduce soil erosion and sediment transport. Proper siting of well pads, roads, and pipelines away from defined drainages will also help limit sediment introduction to local streams and safeguard water quality.

The project will be consistent with State of Colorado rules for protection of Public Water System stream segments and source waters.

The project will comply with State of Colorado rules for noise abatement, and the maximum permissible noise for the Residential/Agricultural/Rural zone as set by the Colorado Oil and Gas Conservation Commission.

To minimize impacts of light pollution to nearby residences, all lighting of permanent structures on the well pads will be shielded, directed downward, and/or targeted to a specific work area, to the extent consistent with security and worker safety.

## **MONITORING**

BLM will monitor and inspect operations to ensure compliance throughout the life of the project. BLM inspection and enforcement activities are designed to observe any anticipated or unanticipated environmental effects of the project and to ensure that GELLC complies with all BLM and Forest Service regulations, policies, and permit requirements.

Roads will be built, upgraded, or maintained consistently with the Gold Book (BLM and Forest Service 2007) and, where appropriate, the requirements of the applicable county road department.

Revegetation will be designed, implemented, and monitored as specified in the COAs, including annual reports submitted to the BLM/Forest Service by GELLC. Any areas not showing satisfactory progress (with a goal of success within 5 years) may be subject to supplemental or replacement seeding of the disturbed area.

Monitoring for noxious or other invasive weeds will be conducted as specified in the COAs, including annual reports submitted to the BLM/Forest Service by GELLC. Any infestations identified will be treated with an herbicide appropriate for the species and site conditions (including restrictions in areas near surface water), at application rates, and using application methods approved by the Forest Service prior to treatment.

## **COMPLIANCE WITH MAJOR LAWS**

This decision complies with applicable laws, regulations, and policy, including the Endangered Species Act, Migratory Bird Treaty Act, Bald and Golden Eagle Protection Act, Clean Water Act, Clean Air Act, Archaeological Resources Protection Act, Paleontological Resources Protection Act, and National Historic Preservation Act.

## **PUBLIC INVOLVEMENT**

On February 17, 2017, the BLM and Forest Service announced public scoping of this project to assist them in identifying potentially significant issues in preparation for impact analysis. The scoping period was originally set as 30 days but was subsequently extended by 30 days, ending on April 17, 2017. During scoping, a total of 1,349 comments on the Proposed Action were submitted by individual citizens, elected officials, governmental entities, and non-governmental organizations.

A Preliminary EA was posted to the BLM and GMUG websites and announced by press release for a 30-day public comment period starting May 10, 2018. This public review yielded a total of 102 unique comment letters and emails in addition to 117 form letters from members of environmental groups.

Because of substantial revisions to the portion of the Proposed Action related to the method of well completions (hydraulic fracturing) and associated increases in water use and truck traffic, the BLM and Forest Service posted a Revised Preliminary EA for an additional 30-day public comment period starting February 28, 2019. This public review resulted in 113 unique comment letters and emails in addition to 100 form letters from members of environmental groups.

The Final EA incorporates responses to comments received during the three public review periods.

## **FINDING OF NO SIGNIFICANT IMPACT**


A Finding of No Significant Impact (FONSI) was prepared, based on the information contained in the Final EA and on my consideration of criteria for significance (40 CFR 1508.27). The FONSI was signed by the Acting Forest Supervisor on August 14, 2019, and by me on August 15, 2019. The FONSI addressed both the portion of the NFMMDP occurring on private and BLM-administered lands, and the

portion on NFS lands. Based on the Final EA and associated FONSI, and the Final Decision issued by the GMUG Forest Supervisor on January 10, 2020, it is my determination that implementation of the portion of the Proposed Action proposed or currently existing on NFS lands 1) will not have significant environmental impacts and 2) conforms with the current Uncompahgre Basin Resource Management Plan, as amended.

#### **APPEAL PROCEDURES**

Under regulations addressed in 43 CFR 3165.3(b), any adversely affected party that contests a decision of the Authorized Officer may request an administrative review, before the State Director, either with or without oral presentation. Such request, including all supporting documentation, must be filed in writing with the BLM Colorado State Office at 2850 Youngfield Street, Lakewood, Colorado 80215 within 20 business days of the date such decision was received or considered to have been received.

Under 43 CFR 3165.4, any party who is adversely affected by the decision of the State Director after State Director review, under 43 CFR 3165.3(b), may appeal that decision to the Interior Board of Land Appeals pursuant to the regulations set out in 43 CFR Part 4.

  
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Gregory Larson, Field Manager  
Uncompahgre Field Office

1/27/2020  
Date